GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:5108
ANSWERED ON:27.08.2001
GOLD RESERVES
NIVEDITA MANE

Will the Minister of MINES be pleased to state:

(a) the details of areas having gold reserves in the country and extent of gold reserves estimated therein, State-wise;

(b) whether the cost incurred on extracting gold works out to be more as compared to the price of gold in the market;

(c) if so, the details thereof alongwith reasons therefor; and

(d) the steps being taken/proposed to be taken by the Government for proper exploitation of the gold reserves and reducing the cost incurred on extraction of gold?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI JAYSINGRAO GAIKWAD PATIL)

(a) As per the information furnished by Indian Bureau of Mines (IBM), a subordinate organisation under the Ministry of Mines, the recoverable reserves of gold ore in the country are placed at 17.79 million tonnes containing about 67.9 tonnes of gold metal. The State-wise details of estimated gold reserves by Geological Survey of India (GSI), Mineral Exploration Corporation Ltd. is given ir Annexure.

(b)&(c) The cost of gold mining by private sector is not maintained by the Government of India. Presently only the Hutti Gold Mines Co. Ltd., a public sector undertaking of State Government of Karnataka is mining Gold. The cost of production of Gold by BGML, a publi sector undertaking under Ministry of Mines which was engaged in production of Gold from its captive mines was Rs.19,729/- for 10 grams, during the year 1999-2000.

(d) The National Mineral Policy, 1993 and its subsequent amendments by the Government are aimed at speedy and systematic exploitation of the mineral resources by the State. Any Indian National or a Company as defined in sub-section (1) of Section 3 of the Companies Act, 1956 is free to exploit the mineral reserves after getting mining lease in accordance with the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 and Rules framed thereafter. The cost of extraction depends upon the use of the technology.

Annexure

State-wise details of estimated Gold reserves by Geological Survey of India (GSI) and Mineral Exploration Corporation Limitec (MECL)

Andhra Pradesh : Consequent to the exploration by GSI a resource of 5.91 million tonnes of gold ore was estimated with 1.15 g/t of gold in Dona-east area of Kurnool district. Similarly in the Boksampalle North block area, Annantpur district, investigations indicated promising mineralisation with gold value upto 1.4 g/t. and in Pedapari-Kunta block of Chittoor district indicated gold values from 1 to 5.5. g/t.

Bihar : The exploration resulted in locating gold bearing rocks in Sursi-Kharswan sector of Sonapet Valley and sample assayed maximum 1.10 g/t in stream sediments in Kullchallinala and quartz vein samples analysed upto 1.6 g/t/ of gold. Further, in Morchagora Bhilardari area, the volcano sedimentary pile of rock traversed by quartz vein and bed-rock samples in the area yielded 0.06 g/t/ to 3.75 g/t.

Karnataka : Under the GSI-BRGM (France) collaborative programme, the geo-chemical prospecting have resulted in gold value maximum at 1.4 g/t in South of Kakkol and Ranebennur areas, Dharwar district.

Kerala : In Kottathara block in Palakad district, the exploration resulted in estimation of additional reserve of 24,000 tonnes of gold ore with an average grade of 13.36 g/t of gold, thus totalling 0.6 million tonnes of ore estimated in this area.

Rajasthan : In Bhukia (East) Central Block of Banswara district, a recalculation of reserve for gold ore incrased at 90,000 tonnes of gold ore with a grade 2 g/t to 2.96 g/t.

Uttar Pradesh : In Gurharpahar block, Sidhi district, a probable ore reserve of 5.37 million tonnes of gold ore with 1.04 g/t gold has

been estimated of which 2.1 million tonnes are with grade 1.28 g/t.

Besides above, GSI has carried out exploration work in Madhya Pradesh, Maharashtra, West Bengal, Gujarat, Orissa etc.

A total of 17.12. million tonnes of gold ore reserves in small to medium size of deposits were established by MECL at Chittur and Annantpur in Andhra Pradesh, Singhbhum in Bihar, Raichur, Dharwad, Hassan, Kolar and Haveri in Karnataka and Malappuram in Kerala.